

AN ORDINANCE

96668

APPROVING AND AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT AND RELATED LEGAL AGREEMENTS BETWEEN CITY AND LA QUINTA, INC. AND/OR ITS SUBSIDIARIES FOR THE CONSTRUCTION OF A LA QUINTA INN & SUITES (THE "PROJECT") TO BE LOCATED ON ELM STREET APPROXIMATE TO INTERSTATE HIGHWAY 37 AND BOWIE STREET.

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WHEREAS, La Quinta, Inc., a Delaware Corporation, intends to construct a La Quinta Inn & Suites (the "Project") to be located on Elm Street, approximate to Interstate Highway 37 and Bowie Street; and

WHEREAS, the Project will feature 350 guestrooms in two hotel towers, new conference room meeting space, and will include upscale amenities such as a fitness center, courtyard, and swimming pool/spa; and

WHEREAS, upon completion of the Project, La Quinta will demolish the existing two-story motel located at 1001 E. Commerce and temporarily use the site for a surface parking lot for hotel guests and possibly as a site for future development; and

WHEREAS, La Quinta seeks to enter into a Development Agreement with the City under which a City tract would be conveyed, permanent traffic direction changes would be made, taxicab stands would be relocated, parking meters would be removed, and the City would recommend the Project for State Enterprise Zone Nomination; and

WHEREAS, under said Development Agreement the City would receive \$163,000.00 in cash, a Deed Without Warranty to a 3600 square foot Signifier Lot, \$200,000.00 over eleven (11) years to reimburse the City's Parking Fund for loss revenues due from the removal of certain parking meters, the design, development, construction and rededication of public improvements to the City, and a Maintenance and License Agreement to operate and maintain a communication system to be used by taxicabs and to perform sidewalk and landscaping maintenance for a term of twenty (20) years commencing upon Project completion; and

WHEREAS, La Quinta has also agreed to enter into an Escrow Agreement to ensure completion of the Project in accordance with the Development Agreement and the payment to the City of up to \$293,000.00 if La Quinta fails to complete the Project; and

WHEREAS, the City Planning Commission, at its regular meeting of October 23, 2002, following a public hearing, recommended to the City Council approval of the request of La Quinta to close, vacate, and abandon the 200 Block of Elm Street as stated in the Development Agreement, and the City Council, following a public hearing on October 31, 2002, approved the execution of the Development Agreement and related legal agreements; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The terms and conditions of a Development Agreement and related agreements between the City and La Quinta, Inc. and/or its subsidiaries for the construction of a La Quinta Inn & Suites, to be located on Elm Street near Interstate Highway 37 and Bowie Street are hereby authorized.

SECTION 2. The City Manager or her designee, is hereby authorized for sixty (60) days following the effective date of this Ordinance, to execute any and all appropriate documents deemed necessary by the City Attorney's Office, in connection with the La Quinta Inn & Suites Project, including the Development Agreement, an Escrow Agreement, a Deed Without Warranty to the 200 Block of Elm Street, a Block Payment Agreement, a Maintenance and License Agreement, and other necessary legal documents, copies of which in substantially final form are attached hereto as Exhibits A through E respectively.

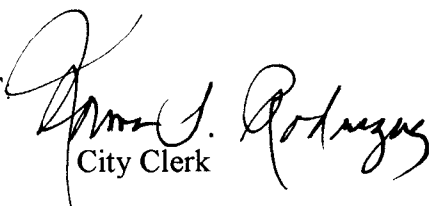
SECTION 3. The cash proceeds to reimburse the City's Parking Fund shall be deposited into Fund 53-004000 ("Parking Revenue Fund") in Index Code 040899, entitled "Parking Meter Operations."

SECTION 4. This ordinance shall be effective on and after the tenth day after passage hereof.


PASSED AND APPROVED this 31st day of October 2002.


M A Y O R **PRO TEM**

ATTEST:


City Clerk

APPROVED AS TO FORM:


for City Attorney